

FERRY BOAT DISCRETIONARY PROGRAM PROGRAM INFORMATION (May 2001)

BACKGROUND:

The Ferry Boat Discretionary (FBD) Program, which provides a special funding category for the construction of ferry boats and ferry terminal facilities, was created by Section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991 (1991 ISTEA, Public Law 102-240). Section 1207 of the Transportation Equity Act for the 21st Century (TEA-21, Public Law 105-178) reauthorized the FBD funding category through FY 2003.

STATUTORY REFERENCES:

1991 ISTEA Section 1064; 23 U.S.C. 129(c); TEA-21 Section 1207

FUNDING:

Fiscal Year	1998	1999	2000	2001	2002	2003
Competitive	\$30M	\$18M	\$18M	\$18M	\$18M	\$18M
NHS Set-aside		\$20M	\$20M	\$20M	\$20M	\$20M

TEA-21 provides \$30 million in fiscal year 1998 and \$38 million in each of fiscal years 1999 through 2003 for the construction of ferry boats and ferry terminals in accordance with 23 U.S.C. 129(c). The TEA-21 requires that \$20 million from each of fiscal years 1999 through 2003 be set aside for marine highway systems that are part of the National Highway System for use by the States of Alaska (\$10 million), New Jersey (\$5 million), and Washington (\$5 million). As a result, for each of fiscal years 1999 through 2003, the amount of FBD funding available for open competition among all States is \$18 million with a noncompetitive amount of \$20 million set-aside for Alaska, New Jersey, and Washington.

The \$18 million available for open competition is also impacted by any obligation limitation imposed on the Federal-aid highway program under the provisions of TEA-21 Section 1102(f), Redistribution of Certain Authorized Funds. Under this provision, any funds authorized for the program for the fiscal year, which are not available for obligation due to the imposition of an obligation limitation, are not allocated for the FBD program, but are redistributed to the States by formula as STP funds.

After these reductions, it is expected that approximately \$14 million will be available for candidate projects each of fiscal years 2000 through 2003. This available funding may also increase or decrease each year depending on the obligation limitation calculation and on the estimated receipts to the Highway Trust Fund.

FEDERAL SHARE:

In accordance with Section 1064(b) of the 1991 ISTEA, the Federal share of the costs for any project eligible under this program is 80 percent.

OBLIGATION LIMITATION:

The FBD discretionary funds are subject to obligation limitation; however, 100 percent obligation authority is normally provided with the allocation of funds for the selected projects. The obligation

limitation reduces the available funding for the program under the provisions of TEA-21 Section 1102(f) discussed above.

ELIGIBILITY:

As specified in Section 1064(b) of the 1991 ISTEA, this program is for the construction of ferry boats and ferry terminal facilities in accordance with 23 U.S.C. 129. Proposals should meet the basic eligibility criteria in 23 U.S. C. 129(c).

Competitive FBD funds are available for improvements to ferry boats or ferry boat terminals where:

- The ferry facility is providing a link on a public road (other than Interstate) or the ferry facility is providing passenger only ferry service.
- The ferry and/or ferry terminal to be constructed or improved is either publicly owned, publicly operated, or a public authority has majority ownership interest where it is demonstrated that the ferry operation provides substantial public benefits.
- The ferry does not operate in international water except for Hawaii, Puerto Rico, Alaska and for ferries between a State and Canada.

The set-aside discretionary funds for marine highway systems for use by the States of Alaska, New Jersey and Washington are available for the construction or refurbishing of ferry boats and ferry terminals and their approaches that are part of the NHS. In general, a proposed project must meet the eligibility criteria set forth in 23 U.S.C. 129(b) and (c), with the following requirements specifically applying to location of the projects and the type of activity eligible for funding:

- For a ferry facility that provides a direct link on the NHS, both the ferry boat (must transport four wheel vehicles) and the ferry terminals, including approaches, are eligible for funding.
- For a ferry facility that lies at the end of an approved connector to the NHS, only the ferry terminal (can serve either vehicle or passengers) and approach is eligible for funding. The ferry boats serving the ferry terminal are not eligible for funding.

SELECTION CRITERIA:

Several criteria are used to evaluate the submitted candidates for selection for the competitive portion of the FBD program. Although there are no statutory criteria and FHWA has not established regulatory criteria for selection of FBD projects, the following criteria are considered in the evaluation of candidates for this program:

- **Expeditious completion of project** - Consideration is given to requests that will expedite the completion of a viable project. This is a project's ability to expeditiously complete usable ferry boat or terminal facilities within the limited funding amounts available. This program is intended for construction rather than initial funding of a project that is dependent on future commitments of funding before a usable project can be completed.
- **State priorities** - The individual State priority (specifically those projects ranked number 1) has been the single most important criteria for initial selection by the program office. This is the first hard criteria applied to candidate projects. Without the individual States priorities, for States submitting more than one project, a candidate project from that State may not be included in those projects being recommended by the program office for selection.
- **Leveraging of private or other public funding** - Because the annual requests for funding far exceed the available FBD funds, commitment of other funding sources to complement

the requested FBD funding is an important factor. This is the second hard criteria that can be applied to candidate projects being evaluated for selection.

- Amount of FBD funding - The requested amount of funding is a consideration. Realizing the historically high demand of funding under this program, modest sized requests for funding (generally less than \$2 million) to allow more States to receive funding under this program are given added consideration. Therefore, two independent projects totaling less than \$2 million might be more reachable for selection than one large project.
- National geographic distribution of funding within the FBD program - Consideration is given to selecting projects over time among all the States competing for funding.

Because the concept of equity was important in the development of TEA-21, project selection will also consider national geographic distribution among all of the discretionary programs as well as congressional direction or guidance provided on specific projects or programs.

SOLICITATION PROCEDURE:

Each year, usually around March, a memorandum is sent from the FHWA Headquarters Office of Program Administration to the FHWA division offices requesting the submission of candidate projects for the following fiscal year's funding. This solicitation is also published in the Federal Register. The FHWA division offices provide this solicitation request to the State transportation departments, who are the only agencies that can submit candidates. The State transportation departments coordinate with local agencies within their respective States in order to develop viable candidate projects. The State transportation department submits the candidate applications to the FHWA division offices in their state. After the FHWA division office has reviewed the submission and ensured that the submission and all applications meet the requirements, the FHWA division office sends the applications to the Office of Program Administration in Headquarters. Candidate projects are due in FHWA Headquarters from the FHWA division office usually in July. The specific timetable for the solicitation process for any particular fiscal year is provided in the latest solicitation memorandum.

The candidate project applications are reviewed and evaluated by the Office of Program Administration and an allocation plan is prepared for presentation of the candidate projects to the Office of the Federal Highway Administrator, where the final selection of projects for funding is made. The announcement of the selected projects and the allocation of funds is usually accomplished by the middle of November.

SUBMISSION REQUIREMENTS:

Only State transportation departments may submit applications for funding under this program. The following information must be included to properly evaluate the candidate projects. The appropriate division office must submit the applications by electronic mail in MS Word format. With the exception of the project area map, all of the following must be included to consider the application complete. Those applications that do not include these items are considered incomplete and will not be considered in the evaluation selection process.

1. **State(s)** in which the project is located. If more than one State, indicate which State is the applicant.
2. **County(ies)** in which the project is located.
3. **U.S. Congressional District No.(s)** in which the project is located.
4. **U.S. Congressional Member's Name(s)** for each District.

5. **Facility or Project Name** commonly used to describe the facility or project.
6. **Service Termini and Ports** - Describe the ferry boat operation including the terminal locations, public road connections and name of the water crossing. A statement must be included for ferry boat operations carrying motorized vehicles, describing the link in the roadway system. Clearly identify any "passenger only" ferry service, and explain how the ferry service is linked to public transportation or is part of a transit system. Also, for each project indicate if the project is part of an existing link or service or if it is new service. Also identify if the ferry operates in domestic, foreign or international waters.
7. **Ownership/Operation** - Specify which of the following apply (a, b, or c):
 - a. The boat or terminal is publicly owned. The term "publicly owned" means that the title for the boat or terminal must be vested in a Federal, State, county, town, or township, Indian tribe, municipal or other local government or instrumentality.
 - b. The boat or terminal is publicly operated. The term "publicly operated" means that a public entity operates the boat or terminal.
 - c. The boat or terminal is "majority publicly owned" (as opposed to public owned). This means that more than 50 percent of the ownership is vested in a public entity. If so, does it provide substantial public benefits? Documentation of substantial public benefits, concurred in by the division office, is required for ferry facilities that are in majority public ownership.
1. **Current and Future Traffic** -- Provide a general description of the type and nature of traffic, both current and future (projected) average daily traffic and/or average daily passenger volumes, on the ferry route if available. If the ferry links public roads or is a link on a highway route, provide the functional classification of the public road or route that the project is located. The general description could include information on year round or seasonal service; commuter, recreational or visitor ridership; traffic generators and attractions.
2. **Proposed Work** -- Describe project work that is to be completed under this particular request, and whether this is a complete project or part of a larger project.
3. **Amount of Federal FBD Discretionary Funds Requested** -- Indicate the total cost of the proposed work along with the amount of FBD funds being requested for FY 2002 (the maximum Federal share for this program is 80 percent). The State may request partial funding (less than the 80 percent maximum), committing a larger portion of State or local funds. If the State is willing to accept partial funding of the request, that should be indicated. Partial funding along with the commitment of other funds (see item 11) will be used to determine leveraging of funds, and allow funding to more projects, since the requests far exceed the funding available.
4. **Commitment of Other Funds** -- Indicate the amounts and sources of any private or other public funding being provided as part of this project. Only indicate those amounts of funding that are firm and documented commitments from the entity controlling the funds.

5. **Previous FBD Discretionary Funding** -- Indicate the amount and Federal fiscal year of any previous FBD discretionary funds received for this project, terminals or ferry boats operating on this route or transit system. Only include previous FBD discretionary funds, not other funding sources.
6. **Future Funding Needs** -- Indicate the estimated future funding needs for the ferry boat operation, including vessels and terminals, if known. Also, provide estimated time schedules for implementing future projects.
7. **Project Purpose & Benefits** -- Each State's request for ferry boat discretionary funds must describe the project benefits and purpose. Particular attention should be given to how the completion of the proposed project will benefit the transportation network. This information should not be lengthy; it should be in short and concise (three to five) statements. Layman's language should be used to the extent possible so as to be understood by a reader that is not closely familiar with the highway and ferry boat operations. In addition this item should include a statement concerning the project schedule. The statement about the schedule should show how the work would be commenced in the fiscal year for which the funds are being requested (October 1, 2001 through September 30, 2002). If applicable, the expected date when the ferry boat or terminal will be operational. A short statement concerning project planning and coordination should be included. If this is a regionally significant project, a statement about the cooperation with State and metropolitan planning organizations should be included. This information will also be used for briefings and bulletins.
8. **Project Area Map** -- This is not required, however a readable location/vicinity map showing the ferry route and terminal connections is helpful if available. The map may be submitted electronically along with the candidate application as a separate file. Printed map should be black and white, paper size 8-1/2" X 11".